THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) Lendings by all scheduled commercial banks in Punjab *vis-a-vis* All India, for agricultural purposes during the past three years viz. ending March 1990, 1991 and 1992 are given below :

(Rs. in crores)

	Balance outstanding as on March		
	1990	1991	1992
(i) Punjab	1100·71	1204·84	1280·30
(ii) All India	16928·11	17334·00	18830·65

As may be observed from the above table, extension of credit for agricultural purposes in the State of Punjab is increasing over the years and NABARD has also stepped up its refinance assistance from Rs. 178.70 crores in 1991-92 to Rs. 255.30 crores in 1993-94 (upto January, 1994).

In terms of Reserve Bank of India's (RBI) guidelines, all Indian banks, including public sector banks, are required to extend 18 per cent of their total credit towards agricultural finance. Government, Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD) regularly monitor the flow of short as well as long term credit, so that the banking system meets the requirements of the agriculturists.

Closure of Jhunjhunu Branch of Janpriya Finance and Industrial Investment India Limited

3768. SHRI GAYA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Janpriya Finance and Industrial Investment India Limited, a company registered by the Government of India with registered office at 113, Park Street, Calcutta-16, closed its Jhunjhunu Branch in 1990 without giving prior information to its policy holders ;

(b) whether the Head Office declared the Jhunjhunu Branch closed on 1st August, 1993 without giving any directive regarding payment of matured policies ;

(c) whether it is a fact that about 50 lakhs rupees invested at that Branch through the Policy holders are being misused by the company;

(d) if so, the details of steps taken by Government to save the future of policy holders and credibility of financial institutions ; and

(e) if so, steps are taken, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) As per information available with Reserve Bank of India (RBI), the Janpriya Finance and Industrial Investment Ltd. had closed its Jhunjhunu branch with effect from 1-8-1992. The company, however, has not been able to produce any documentary evidence to RBI either for having given information regarding closure of the branch to its certificate holders or for having decided on the modality of repayment of matured proceeds of certificates pertaining to this branch.

(c) Branch-wise information on deposits collected by the company and the use of such funds is not furnished by the company to RBI.

(d) and (e) RBI have issued an order on January 15, 1993 prohibiting the company from accepting further deposits from any person including existing depositors/certificate holders.

US Banks Involved in Security Scam

3769. SHRI K. R. MALKANI : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has sent a list of U.S. banks involved in the securities scam to the securities and Exchange Commission of U.S.A. ?

(b) what has been the response of SEC ; and

(c) what is the action taken so far ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) The Securities and Exchange Commission (SEC) of the USA had

written to the SEBI on the possible violations of US Banking laws by US based banks operating in India. The Commission was furnished copies of the Janakiraman Committee Report. The SEC had also written to the SEBI suggesting investigation into the securities transactions of the US banks.

RBI are taking up with SEC the irregularities in securities transactions of the US banks.

Uniform Tax Rates for NRI

3770. SHRI SANJAY DALMIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken note of various suggestions made at the recent seminar on 'Foreign Investments in India' held under the aegis of PHD Chamber of Commerce & Industries, which *inter-alia,* made a plea for imposition of uniform tax rates for NRIs, as reported in the Hindustan Times of the 14th March, 1994 ;

(b) whether Government are also aware that the NRIs participating in the seminar lamented over the closure of several Indian Investment Centres, thereby clogging communication infow ; and

(c) if so, what is Government's reaction thereto and the action Government propose to take in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Yes, Sir. Earlier, as a step towards rationalisation of the tax structure, the Budget proposals for 1994-95 provide that rates of tax for investment (dividends and Interest Income) of non-resident individuals (be they Indian or foreign nationals) and non-resident companies will be at a uniform rate of 20%.

(b) Although the overseas offices of the Indian Investment Centre have been closed it does not appear correct to conclude that the communication inflow has been clogged as Indian Missions abroad have taken on the role of disseminating information and promotion of overseas investment in India.

(c) As discussed under (a) & (b) above.

Excise Duty on Small and Cottage Industries

3771. SHRI O. P. KOHLI : Will the Minister of FINANCE be pleased to state :

(a) whether new excise duties have been levied in the 1994-95 Budget on the woollen yarn used for manufacturing carpets, on cotton yarn, stainless steel strips, brass sheets, glass shells, packing boxes and other items produced in small and cottage industries ;

(b) if so, whether it is a fact that thousands of small and cottage industrial units have closed down as a result and lakhs of skilled and unskilled workers have become jobless ; and

(c) if so, the measure proposed to be adopted by Government to provide relief to small and cottage industries which are the very soul of our economy, employing more than three crore people against only 78 lakh workers employed in the big industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) In the 1994-95 Budget, full excise duty exemption on certain items like woollen yarns, acrylic spun yarns, narrow woven fabrics, cotton yarn and cellulosic spun yarns made out of duty paid yarn and subjected to certain specified processing, printed cartons, boxes, containers and cases when made from specified paper or paperboards as well as unprinted cartons etc. had been withdrawn.

(b) A number of Federations and Associations of small scale units have in their representations, expressed fear that these proposals may result in closure of a number of small scale units resulting in large scale unemployment of workers. However, in terms of General SSI exemption scheme under Notification 1/93-CE dated 28th February, 1993, SSI units manufacturing specified goods are not required to pay excise duty for clearances upto Rs. 30 lakhs and subsequent clearances upto Rs. 75 lakhs have also been provided certain excise duty concessions. As more than 95% SSI and tiny